



AUSTRALIAN SECURITIES EXCHANGE RELEASE

28th July 2009

General Manager
The Company Announcements Office
Australian Securities Exchange Limited
Electronic Lodgment System

Dear Sir/Madam

Fourth Quarter Activities Report

THREE MONTHS TO 30th June 2009

The following activities have been conducted by or on behalf of the Company:

1.0 EXPLORATION ACTIVITIES

Exploration activities for the quarter focused on the Wilgerup, Cockabidnie, Lock and western Middleback iron ore projects, on South Australia's Eyre Peninsula.

General

There was no significant operational expenditure during the quarter as the Company prepares for the expected ramp up in Joint Venture activity and associated Resource development in the second half of 2009.

All tenements are in good standing and applications have been submitted for two new iron ore tenements, one in South Australia that abuts the Wilgerup Exploration Licence to the southwest and one in Goulburn, New South Wales. The South Australian tenement application has been approved by PIRSA.

Detailed budgets and schedules have been developed for both the WISCO and Baotou magnetite Joint Venture projects including a review of the remaining 100% Centrex owned iron ore tenements on the Eyre Peninsula.

This review has highlighted the prospective nature of these iron ore tenements with a number of exciting hematite targets identified for follow up at Cockabidnie, Wilgerup and Kimba Gap.

The Full Tensor Gravity airborne survey planned for the Mount Hill and Cockabidnie tenements has been further delayed until mid July 2009 due to equipment breakdowns.

1.1 Wilgerup Activity

There was no drilling activity during the quarter however regional and near mine exploration drilling plans have been prepared for FY2010.

Regional exploration drilling has been historically limited due to the focus on proving up the now 13.3Mt Indicated Resource at Wilgerup. The Wilgerup tenement is highly prospective for additional iron ore Resources with exploration relying on historical drilling and geophysical survey data to "see through" the

blanket of tertiary cover. The latest hematite and magnetite targets were identified from combining the new geological model with geophysical survey data.

The main exploration target at Wilgerup has historically been hematite however a significant intersection of magnetite was drilled in 2007. The drilling was designed to test a residual gravity target with one hole intersecting around 40m of magnetite carbonate BIF at a grade of 30% Fe. In April 2009, two magnetite samples of RC drill chips were selected for petrological analysis. The petrology results were encouraging and confirmed an average of 35-40% magnetite. Additional follow up drilling and Davis Tube Recovery testwork is planned for FY2010.

The process of identifying iron ore drilling targets also resulted in the application for a new tenement approximately 3km's SW of the Wilgerup massive hematite deposit. The new tenement contains a significant gravity anomaly that has yet to be drill tested.

1.2 Cockabidnie

A literature review of the Cockabidnie project has highlighted the potential of a number of narrow high grade hematite zones. The hematite zones are outcropping and therefore comparatively cheap to assess and possibly mine.

The preliminary fieldwork of the main hematite zone indicates around 1,100m of strike length with a variable thickness of 0 – 4.5m. Limited channel chip sampling has returned promising grades with a best intercept of 2m at 64.6% Fe and very low Phosphorus of 0.006%. Detailed mapping and sampling is continuing and a number of trenches are planned across the strike of the hematite zone.

The discovery of outcropping high grade hematite at Cockabidnie could present a number of opportunities to the Wilgerup project in terms of product blending and material handling benefits from processing dry hard ore.

1.3 Kimba Gap

Field mapping and sampling of outcrop has commenced at Kimba Gap in the western Middleback Ranges. Kimba Gap is also known as Sinclair's Gap and lies between the northern and southern Middleback Range. One Steel's iron ore mines are located within similar stratigraphy and along strike to the north and south.

Kimba Gap has potential for a significant magnetite resources especially considering that the jaspilite ridge has a strong aeromagnetic anomaly and strike length of 3.5 – 4km's.

Field mapping from traverses across the jaspilite ridge has confirmed the presence of siliceous magnetite BIF and a significant NW structure – a key attribute for the development of iron ore deposits.

In addition, hematite and goethite BIF occurs locally in outcrop and a subtle gravity high to the north of the ridge has yet to be tested.

1.4 Ironstone Hill and Ironstone Hut

Limited historical exploration has been undertaken at Ironstone Hill or Ironstone Hut in the south western Middleback ranges. A recent literature review of the area has been completed and field mapping and reconnaissance has commenced. Preliminary field work has identified siliceous magnetite BIF outcropping at Ironstone Hill confirming the presence of the main host stratigraphy for iron ore mineralisation on the Eyre Peninsula.

1.5 Tenement Management

All tenements are in good standing with recent statutory reporting including six monthly technical reports for EL 3287 Stony Hill, EL 3968 Kimba Gap, EL 3317 Wilgerup, EL 3731 Tumby Bay, EL 3269 Wanilla, EL 3610 Minbrie, EL 3421 Dutton Bay and EL 4185 Ironstone Hill

A one year tenement renewal was approved by PIRSA for EL 3731 Tumby Bay.

PIRSA has approved a new tenement SW of Wilgerup. The new tenement abuts the SW corner of the Wilgerup tenement. The area is highly prospective for iron ore and contains a coincident magnetic and gravity anomaly immediately south west of the Wilgerup massive hematite deposit. Reverse circulation drilling is planned for late 2009.

A Mineral Licence application has been submitted to the New South Wales Department of Mines and Energy for a tenement near Goulburn targeting a Magnetite skarn style of mineralisation.

1.6 Tenement Acquisitions/Disposals and Farm-in/Farm-out Agreements

Following the recent signing of a revised Heads of Agreement (announced 11 May 2009), the Company now has two potential joint venture partners:

Southern & South Central Tenements – Wuhan Iron & Steel (Group) Co (“WISCO”)

Centrex continued negotiations with WISCO during the quarter. The joint venture covers five of Centrex’s fifteen Exploration Licences located in the southern Eyre Peninsula region. The tenements include:

- **EL 3611** just north of Port Lincoln;
- **EL 3421** near Dutton Bay, 90 kilometres northeast of Port Lincoln;
- **EL 3269** just northwest of Port Lincoln;
- **EL 3731** just west of Tumby Bay; and
- **EL 3877** stretching along the Port Lincoln to Tumby Bay coastline.

Since the end of the quarter agreement on all terms and conditions of the joint venture was reached by both parties which concluded with a signing ceremony in China (announced 21 July 2009). Legal representatives of WISCO are now in the process of resubmitting the application to the Foreign Investment Review Board, which ordinarily has 30 days to make a recommendation to the Treasurer.

Key terms of the agreements are as follows:

<p>WISCO to acquire a 60% Participating Interest in the Iron Ore mineral rights to the Tenements</p> <p>Payment Schedule:</p> <ul style="list-style-type: none">a. a non refundable deposit of A\$500,000 (paid on 24th December 2008);b. a sum of A\$51,500,000 upon execution of the Acquisition Agreement;c. A further sum of A\$26,000,000 on or before 30 June 2010;d. A\$27,000,000 when/if the total inferred resource of magnetite banded iron formation within the Tenements reaches 1,250 million tonnes;e. A\$27,000,000 when/if the total inferred resource of magnetite banded iron formation within the Tenements reaches 1,500 million tonnes;f. A\$27,000,000 when/if the total inferred resource of magnetite banded iron formation within the Tenements reaches 1,750 million tonnes;g. A final payment of A\$27,000,000 when/if the total inferred resource of magnetite banded iron formation within the Tenements reaches 2,000 million tonnes. <p>[Should combined inferred resources not reach the base of 1,000 million tonnes of magnetite banded iron formation, Centrex will be required to cede other tenements that it owns to make up the shortfall. Alternatively it may be diluted from it’s 40% equity position].</p> <p>In addition to the above payments WISCO's is to pay the sum of A\$75,000,000 into the Joint Venture Account as follows:</p> <ul style="list-style-type: none">• the sum of A\$50,000,000 on the Completion Date (First Work Commitment); and• the sum of A\$25,000,000 upon the expiration of the period of 12 months after the Completion Date (Second Work Commitment), <p>sums to be applied towards the agreed Programs and Budgets in accordance with the Joint Venture Agreement.</p>
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In addition WISCO will subscribe for some 40,399,599 shares at A\$0.25 per share subject to all necessary government, regulatory and shareholder approval.

EL 3610 – Bungalow – Baotou Iron & Steel Co., Ltd (“Baotou”)

Centrex and Baotou continued discussions during the quarter and both parties expect to have agreed all terms for the joint venture in the upcoming quarter.

2.0 DEVELOPMENT ACTIVITIES

Mining Lease Proposal

Following approval of the Mine Lease Proposal (MLP) document by PIRSA, an Offer of a Mineral Lease was received for the Wilgerup project on 13th May 2009. Centrex met with PIRSA staff to discuss the intended lease conditions which resulted in a revised offer of a Mineral Lease for Wilgerup being received on the 30th June from the Minister for Mineral Resources Development. Unfortunately the revised document contained errors and a response was prepared and forwarded to PIRSA to correct the inaccuracies. A follow-up phone discussion with a PIRSA representative confirmed that a revised letter should be received in July at which time Centrex can sign-off on the agreed lease conditions imposed.

A rehabilitation cost estimate breakdown and payment schedule for the Wilgerup mine site was submitted to PIRSA in June. At month end, PIRSA indicated that key personnel were not available to review the submission, but a commitment was given to review the rehabilitation cost schedule during July.

Work continued on preparation of the final draft Mine and Rehabilitation Plan (MARP) document. A draft OH&S management plan including mine operating procedures, maintenance operating procedures and safety management plan is currently being reviewed for inclusion in the MARP document.

An alternative road haulage route and rail siding location was investigated during the quarter following discussions with the District Council of Elliston. The alternative road haulage route is the preferred option for the District Council and results in a lower capital component for Centrex. Alternative rail siding locations were investigated, including haul truck access options, resulting in a preferred site being selected. Discussions have commenced with the land owner to secure a portion of the land for the term of the Wilgerup operation.

Port Lincoln Wharf Development Application

The Development Application (DA) for approval to export of product from the Wilgerup mine via Brennen Jetty in Port Lincoln was completed and submitted on 16th February to the Development Assessment Commission (DAC) for approval to export from Brennen Jetty in Port Lincoln. The DA was submitted under section 49 of the Development Act (1993) with the Department for Transport, Energy and Infrastructure (DTEI) as the sponsoring government department.

Following a public and stakeholder review period from February to May 2009, 6 stakeholder (government) groups responded, with five (5) providing support or conditional support for the proposal. The EPA has not finalized its position as this point in time and has requested further information from Centrex. The EPA initially raised concerns over Total Suspended Particles (TSP), respirable dust (PM10) and potential risk to the marine environment. A meeting was held with the EPA on 3rd June to discuss their submission and Centrex's response to the DPLG. The EPA conceded to review their submission based on further information provided by Centrex. As a result, Centrex requested that the DAC postpone preparing a recommendation to the Minister until the EPA revise their submission and amend their status of support for the DA.

The DAC held a public meeting in Port Lincoln on 11th June to allow public submissions to be presented in person to the DAC, with no recommendation to the Minister to be prepared following the meeting as per Centrex's request to delay a recommendation to the Minister pending a revised response from the EPA.

A series of telephone discussions, further literature searches and reviews by leading marine experts and a further follow-up meeting with the Director of the EPA approval section on 25th June once again resulted in the EPA committing to review their recommendation for approval of the DA. The subsequent response from the EPA has resulted in a further delay to a final recommendation to the DAC following a request for further marine sampling and phytoplankton analysis including seeding with hematite ore. These tests have been arranged with Flinders University and Flinders Medical Centre and will be completed by mid July 2009.

Wilgerup Site – Kamballa station

Agreement was reached with a neighboring property owner to lease approximately 400 hectares of the property, not required as part of the mining operations, during April 2009. The lease agreement commenced on 1 April 2009 and is based on standard commercial terms for a period of up to 5 years with lease payments made quarterly.

The first of two planned dust monitoring stations was installed and commissioned on the Kamballa site during June. The weather monitoring and dust analysis installation will provide baseline data prior to commencement of site establishment and mining activities and ongoing monitoring throughout the mine life.

Alternative port site – Sheep Hill

Confirmation of freehold title was received by Centrex on 12th May and triggered the transfer of land agreement including payment of the residual 90% payment of the total purchase price. An application for transfer of title was submitted in the name of Flinders Pastoral Limited (wholly owned subsidiary of Centrex Metals Limited) in accordance with the terms of the sales and purchase agreement. The new title documents were not received in June and an enquiry has been forwarded to the land titles office to finalise this process. A proportion of land was resumed by the State during the freeholding process to protect sensitive coastal dunes adjacent to the coastal block. In addition, the coastal strip owned by the State in the name of the Minister for Environment and Conservation was extended from 30 metres wide to 50 metres wide. As a result of these two actions taken by the DEC during the transfer to freehold process, the total land secured by Centrex reduced from 104 Ha to 90.2 Ha.

Preliminary engineering designs by URS Australia for the wharf and jetty structure were amended throughout the course of the quarter to incorporate a potentially longer jetty, totaling 512 metres to achieve 20 metre deep water at low tide. This will make the proposed port capable of accepting any Cape class vessel, including the new “Super Capes” in the future. The design also investigates the option of developing the port in two stages, with the development of a Panama class berth initially, with an extension of the jetty and Cape capable berth upon the commencement of construction of the Centrex/WISCO magnetite joint venture operations. All options will be evaluated through the financial model prior to the optimum proposal being incorporated into the Development Application for approval to construct the port infrastructure and export bulk commodities from Sheep Hill.

Golder Associates completed the environmental clearances reports, including land based flora and fauna baseline studies and the marine based flora study in March 2009. This information will be used to complete the Development Application for the site in Q2/Q3 2009/10.

Engineering update

During the quarter, Centrex went to the market place with Expressions of Interest (EOI) to capable and qualified parties for the supply of engineering consultancy services for the detailed design phase of the Port Lincoln Export facility upgrade.

Some fifteen expressions of interest were received from local and interstate engineering consultancies to carry out the works.

Following a two-stage review (short listing and award); WorleyParsons was appointed to carry out the “define” stage of detailed engineering for the Port Lincoln Export Facility Project, including detailed risk assessment and conceptual design review.

Progress for the quarter as follows:

Port Lincoln Export Facility

- Issue and complete EOI for the “define” stage engineering for the Port Lincoln project.
- Scope “define” stage engineering document.
- Continue liaison of conceptual design for upgrade of facilities at the Port Lincoln Export facility with ABB Limited and Flinders Ports included in the Development Application; and
- Continue to liaise with stakeholders on engineering issues with the Port Lincoln export Facility.
- Liaise with third party providers for supply of logistics and material handling hardware.

Wilgerup Mine Site and Rail siding

- Refine mine plan and schedules.
- Continued refinement of capital and operating costs into financial model;
- Carry out review of haulage route options for the Wilgerup Mine operation; and
- Review rail siding location and design in line with Wilgerup Mine haulage route review.
- Carry out site inspections with contractors in relation to construction and mining activities.

General

- Progress with Pre-feasibility document for the Wilgerup Hematite Operation.

3.0 PRODUCTION ACTIVITIES

No production was recorded for any of the Company's tenements during the quarter.

4.0 CAPITAL

The Company had the following securities on issue as at 30 June 2009:

Ordinary Shares	269,330,665
2011 A Class Options (expiring 30 Jun 2011, exercisable at \$0.20)	1,000,000
2011 CXM Exec Options (expiring 30 Jun 2011, exercisable at \$0.20)	2,475,000

During the quarter there were no options exercised.

5.0 FINANCIAL

5.1 Reconciliation of Expenditure

This is the fourth quarterly report for Centrex Metals Limited for the year ended 30 June 2009. In the previous quarterly report the estimated exploration and evaluation cash outflows for the current quarter was \$719,000. The actual exploration and evaluation cash outflow amounted to \$978,000.

5.2 Cash at end of Quarters

Cash at 30 June 2009 was \$7,486,164.

Attached is the Appendix 5B Statement of Cash flows for the period from 1st April 2009 to 30th June 2009.

For further information, please contact Gerard Anderson at Centrex Metals Limited on (08) 8232 0400.



Gerard Anderson
Managing Director
Centrex Metals Limited
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Managing Director
Centrex Metals Limited

The information in this report relating to Exploration Results is based on information compiled by Mr Gerard Anderson who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Anderson is a geologist and Managing Director of Centrex Metals Limited. Mr Anderson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Anderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CENTREX METALS LIMITED

ABN

97 096 298 752

Quarter ended ("current quarter")

30 JUNE 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	5	10
1.2 Payments for (a) exploration and evaluation	(978)	(6,078)
(b) development	-	-
(c) production	-	-
(d) administration	(687)	(3,155)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	60	924
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) refund	(6)	(10)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,606)	(8,308)
Cash flows related to investing activities		
1.8 Payment for purchase of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(964)	(5,143)
1.9 Proceeds from sale of: (a)prospects	-	500
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(964)	(4,643)
1.13 Total operating and investing cash flows (carried forward)	(2,570)	(12,952)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,570)	(12,952)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,553
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) –IPO costs	-	-
	Net financing cash flows	0	1,553
	Net increase (decrease) in cash held	(2,570)	(11,399)
1.20	Cash at beginning of quarter/year to date	10,058	18,885
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	7,486	7,486

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	408
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Transactions included in the value disclosed at item 1.23 include (\$A'000):

Director's fees (including superannuation).	\$192
Adelaide Equity Partners (corporate advice, office rental, administration services)	\$ 69
Minter Ellison (legal advice)	\$147

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

(\$A'000):

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,469
4.2 Development	-
4.3 Administration	418
Total	1,887

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,157	267
5.2 Deposits at call	5,329	9,791
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	7,486	10,058

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	269,330,665	269,330,665		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) End of restriction period				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	① 2008 A Class ② 2011 A Class ③ 2011 Employ. <u>Period end balance:</u> ① 0 ② 1,000,000 ③ 2,475,000	Expiring 31/12/08 Expiring 30/06/11 Expiring 30/06/11	\$0.20 \$0.20 \$0.20	
7.8 Issued during quarter	① - ② - ③ -	① - ② - ③ -		

+ See chapter 19 for defined terms.

7.9	Exercised during quarter	1 - 2 - 3 -	1 - 2 - 3 -		
7.10	Expired during quarter	1 - 2 - 3 -	1 - 2 - 3 -		
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 28th July 2009
(Company Secretary)

Print name: Mr Gavin Bosch

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.